

MEMO



To: Idaho Water Resource Board
From: Brian W. Patton
Subject: Water District 1 Rental Pool Procedures – Proposed Revision
Date: July 9, 2009

Water District 1 and its district advisory committee, the Committee of Nine, is requesting that the IWRB adopt the attached revised procedures for the WD01 (Upper Snake) Rental Pool.

- 1.0) The revised procedures contain numerous editorial changes for easier reading and better organization. The only substantive changes are as follows:
 - The addition of an Infrastructure Fee of \$5.00/acre-foot assessed on all storage rented through the Common Pool for purposes below Milner Dam, except for flow augmentation. See 2.18 in the Procedures.
 - The addition of an Infrastructure Fund to be funded through the Infrastructure Fee. Monies in the Infrastructure Fund may be used to fund projects related to improvements to the Districts distribution, monitoring, and gaging facilities, and other District projects designed to assist in the adjudication, conservation, or efficient distribution of water. Disbursements from the Infrastructure Fund are subject to a 2/3 Committee approval. The Fund may accrue to \$1 million, after which the Infrastructure Fee is waived and the \$5 Infrastructure Fee is added to the rental price received by the spaceholder. See 2.19 and 4.5 in the Procedures.
 - The rental price for storage rented for use below Milner Dam, except flow augmentation, is set at \$35/acre-foot, up from \$12/acre-foot. This price is before the WD01 administrative fee, the IWRB surcharge, and new Infrastructure Fee. See 5.5 in the Procedures.
- 2.0) The IWRB's Water Supply Bank Rules (IDAPA 37.02.03) govern the approval of amended procedures for a local rental pool. Rule 040.03 required a review by the Director. Rule 040.05 requires amendments to the procedures to be submitted to the IWRB for approval by April 1st, however, the IWRB may waive this date if the IWRB determines good cause is shown.
- 3.0) The attached resolution would adopt the revised Water District 1 Rental Pool procedures.

BEFORE THE IDAHO WATER RESOURCE BOARD

| | | |
|-------------------------------|---|------------------------|
| IN THE MATTER OF APPROVAL |) | A RESOLUTION APPROVING |
| OF THE LOCAL RENTAL POOL |) | LOCAL RENTAL POOL |
| PROCEDURES FOR WATER DISTRICT |) | PROCEDURES |
| NO. 01, UPPER SNAKE RIVER |) | |
| _____ |) | |

WHEREAS, section 42-1761 of the Idaho Code authorizes the Idaho Water Resource Board (Board) to operate a Water Supply Bank; and

WHEREAS, the purposes of the Water Supply Bank are to encourage the highest beneficial use of water; provide a source of adequate water supplies to benefit new and supplemental uses; and provide a source of funding for improving water user facilities and efficiencies; and

WHEREAS, effective July 18, 2008, the Board has renewed the appointment of the Committee of Nine for a period of five (5) years to serve as the Committee to operate the rental pool for water stored in the Upper Snake River system, pursuant to section 42-1765, Idaho Code; and

WHEREAS, the Committee of Nine, as the Local Rental Pool Committee for Water District No. 01, has submitted to the Board for approval a new set of "Water District 1 Rental Pool Procedures," dated January 29, 2009, pursuant to Idaho Code 42-1765; and

WHEREAS, the Procedures were not submitted to the Board by April 1 as required by the Board's Water Supply Bank Rules, IDAPA 37.02.03.040, however pursuant to the same rules, the board may waive the submission date if good cause is determined; and

WHEREAS, the Director of the Department of Water Resources has reviewed the new Rental Pool Procedures and has determined them to be in substantial compliance with the applicable requirements of the Board's Water Supply Bank Rules, IDAPA 37.02.03.040.

NOW THEREFORE BE IT RESOLVED that the Board approves the Water District No. 01 Rental Pool Procedures dated January 29, 2009, and waives the April 1 submission date pursuant to the Board's Water Supply Bank Rules, as these procedures are intended to be utilized this current year in the Upper Snake Rental Pool.

7-3

DATED this 24th day of July, 2009.

TERRY UHLING, Chairman
Idaho Water Resource Board

ATTEST _____
BOB GRAHAM, Secretary

2009

WATER DISTRICT 1

RENTAL POOL PROCEDURES

Committee of Nine Proposal

January 29, 2009

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2009
**WATER DISTRICT 1
RENTAL POOL PROCEDURES**

RULE 1.0 LEGAL AUTHORITY

- 1.1 These procedures have been adopted by the Water District 1 Committee of Nine pursuant to Idaho Code § 42-1765.
- 1.2 These procedures shall not be interpreted to limit the authority of the Idaho Department of Water Resources, the Idaho Water Resource Board, or the Watermaster of Water District 1 in discharging their duties as prescribed by statute or rule.
- 1.3 These procedures shall be interpreted consistent with Idaho Code, rules promulgated by the Idaho Water Resource Board, and relevant provisions of spaceholder contracts with the United States.
- 1.4 The operation of the Rental Pool shall in no way recognize any obligation to maintain flows below Milner or to assure minimum stream flows at the USGS gaging station on the Snake River near Murphy.

RULE 2.0 DEFINITIONS

- 2.1 **Accounting Year:** the Water District 1 accounting year that begins on November 1 and ends on October 31.
- 2.2 **Acre-foot:** a volume of water sufficient to cover one acre of land one foot deep and is equal to 43,560 cubic feet.
- 2.3 **Administrative Fee:** a fee of eighty cents (\$0.80) per acre-foot assessed on all storage rented or leased through the Rental Pool, disbursed to the District at the end of the irrigation season.
- 2.4 **Allocation:** the amount of stored water, including carryover, that has accrued to a spaceholder's storage space on the Date of Allocation that is available for the spaceholder's use in the same accounting year.
- 2.5 **Applicant:** a person who files with the Watermaster an application, accompanied by the required fees, to rent or lease storage through the Rental Pool.
- 2.6 **Assignment:** storage provided by an Assignor from the current year's storage allocation for rental through the Common Pool pursuant to Rule 5.3.
- 2.7 **Assignor:** a participant who assigns storage to the Common Pool pursuant to Rule 5.3 and subject to Rule 7.5.
- 2.8 **Board:** the Idaho Water Resource Board (IWRB).
- 2.9 **Board Surcharge:** a surcharge equal to ten percent (10%) of the Rental Price or Lease Price assessed on all storage rented or leased through the Rental Pool, disbursed to the Board at the end of the irrigation season.

- 2.10 **Bureau:** the United States Bureau of Reclamation (USBR).
- 2.11 **Committee:** the Committee of Nine, which is the advisory committee selected by the members of Water District 1 at their annual meeting and appointed as the local committee by the Board pursuant to Idaho Code § 42-1765.
- 2.12 **Common Pool:** storage made available to the Committee through participant contributions and/or assignments for subsequent rental pursuant to Rule 5.
- 2.13 **Date of Allocation:** the date determined each year by the Watermaster on which the maximum accrual to reservoir spaceholders occurs.
- 2.14 **Date of Publication:** the date on which the Watermaster publishes on the District website the storage allocation for the current accounting year.
- 2.15 **Department:** the Idaho Department of Water Resources (IDWR).
- 2.16 **District:** Water District 1 of the State of Idaho.
- 2.17 **Impact Fund:** a fund maintained by the Watermaster for the mitigation of impacts to participants pursuant to Rule 7.3.
- 2.18 **Infrastructure Fee:** a fee of five dollars (\$5.00) per acre-foot assessed on all storage rented through the Common Pool for purposes below Milner, excluding flow augmentation, disbursed to the Infrastructure Fund at the end of the irrigation season.
- 2.19 **Infrastructure Fund:** a fund maintained by the Watermaster for the purposes outlined in Rule 4.5.
- 2.20 **Lease:** a written agreement entered into between a Lessor and Lessee to lease storage through the Rental Pool pursuant to Rule 6.
- 2.21 **Lease Price:** a price per acre-foot negotiated between a Lessor and Lessee as set forth in a Lease agreement.
- 2.22 **Lessee:** a person who leases storage from a participant under a Lease.
- 2.23 **Lessor:** a participant who leases storage to a person under a Lease pursuant to Rule 6 and subject to Rule 7.6.
- 2.24 **Milner:** Milner Dam on the Snake River.
- 2.25 **Net Price:** the average price per acre-foot of all rentals from the Common Pool, including flow augmentation and rentals of assigned storage.
- 2.26 **Net Proceeds:** the Net Price times the number of acre-feet rented from the Common Pool, excluding rentals of assigned storage.
- 2.27 **Participant:** a spaceholder who contributes storage to the Common Pool pursuant to Rule 5.2.

- 2.28 **Participant Contributions:** storage made available to the Common Pool by participants, with impacts accounted from next year's reservoir fill, which forms the supply for large rentals, small rentals, and flow augmentation, subject to the limitations in Rule 5.2.
- 2.29 **Person:** an individual, corporation, partnership, irrigation district, canal company, political subdivision, or governmental agency.
- 2.30 **Rent:** the rental of storage from the Common Pool.
- 2.31 **Rental Pool:** the processes established by these procedures for the rental and/or lease of storage, mitigation of associated impacts to spaceholders, and disposition of revenues.
- 2.32 **Rental Pool Subcommittee:** a subcommittee composed of the Watermaster, a designated representative from the Bureau, and three or more members or alternates of the Committee who have been appointed by the Chairman of the Committee.
- 2.33 **Rental Price:** the price per acre-foot of storage rented from the Common Pool, as set forth in Rule 5.5, excluding the Administrative Fee, the Board Surcharge, and the Infrastructure Fee.
- 2.34 **Renter:** a person who rents storage from the Common Pool.
- 2.35 **Reservoir System:** refers to American Falls, Grassy Lake, Henrys Lake, Island Park, Jackson Lake, Lake Walcott, Milner Pool, Palisades, and Ririe.
- 2.36 **Space:** the active capacity of a reservoir measured in acre-feet.
- 2.37 **Spaceholder:** the holder of the contractual right to the water stored in the space of storage facility.
- 2.38 **Storage:** the portion of the available space that contains stored water.
- 2.39 **Watermaster:** the watermaster of Water District 1.
- 2.40 **Water Supply Forecast:** the forecasted unregulated runoff for April 1 to September 30 at the Heise USGS gaging station, referred to in Table 1.

RULE 3.0 PURPOSES

- 3.1 The primary purpose of the Rental Pool is to provide irrigation water to spaceholders within the District and to maintain a Rental Pool with sufficient incentives such that spaceholders supply, on a voluntary basis, an adequate quantity of storage for rental or lease pursuant to procedures established by the Committee. These procedures are intended to assure that participants have priority over non-participants and non-spaceholders in renting storage through the Rental Pool.
- 3.2 To maintain adequate controls, priorities, and safeguards to insure that existing water rights are not injured and that a spaceholder's allocation is not impacted without his or

her consent. To compensate an impacted spaceholder to the extent the impact can be determined by the procedures developed by the District.

- 3.3 To generate revenue to offset the costs of the District to operate the Rental Pool and to fund projects that fall within the parameters of Rule 4.5.

RULE 4.0 MANAGEMENT

- 4.1 **Manager.** The Watermaster shall serve as the manager of the Rental Pool and shall take all reasonable actions necessary to administer the Rental Pool consistent with these procedures, which include, but are not limited to:
- (a) determining impacts pursuant to Rule 7;
 - (b) calculating payments to participating spaceholders as prescribed by Rules 5.2 and 7.3;
 - (c) accepting storage into the Common Pool and executing rental agreements on behalf of the Committee;
 - (d) disbursing and investing Rental Pool monies with the advice and consent of the Rental Pool Subcommittee; and
 - (e) taking such additional actions as may be directed by the Committee.
- 4.2 **Rental Pool Subcommittee.** The Rental Pool Subcommittee shall exercise the following general responsibilities:
- (a) review these procedures and, as appropriate, make recommendations to the Committee for needed changes;
 - (b) review reports from the Watermaster regarding Rental Pool applications, storage assignments to the Common Pool, and lease of storage through private leases;
 - (c) advise the Committee regarding Rental Pool activities;
 - (d) develop recommendations for annual Common Pool storage supplies and rental rates;
 - (e) assist the Watermaster in resolving disputes that may arise from the diversion of excess storage; and
 - (f) assume such additional responsibilities as may be assigned by the Committee.
- 4.3 **Applications**
- 4.3.101 Applications to rent or lease storage through the Rental Pool shall be made upon forms approved by the Watermaster and shall include:
- (a) the amount of storage sought to be rented or leased;
 - (b) the purpose(s) for which the storage will be put to beneficial use;
 - (c) the lease price (for private leases);
 - (d) the point of diversion identified by legal description and common name; and
 - (e) a description of the place of use.
- 4.3.102 Applications are not deemed accepted until received by the Watermaster together with the appropriate fees required under Rules 5.5 (rentals) or 6.4 (leases).
- 4.3.103 *Deadline for Applications.* Applications to rent or lease storage will not be accepted until April 5 of the year in which the storage will be used. Applications must be received by the Watermaster within 15 days following the Date of Publication to preserve the applicant's priority under Rule 5.4.101.
- 4.4 **Rental Pool Account**
- 4.4.101 All monies submitted by Applicants shall be deposited in an interest-

bearing account known as the "Rental Pool Account" and maintained by the Watermaster on behalf of the Committee. Monies in the Rental Pool Account will be disbursed to Participants, the District, the Board, the Impact Fund, and the Infrastructure Fund in the proportions set forth in these Rules. Accrued interest to the Rental Pool Account shall be used to maintain the Impact Fund. Rental Pool funds shall be considered public funds for investment purposes and subject to the Public Depository Law, Chapter 1, Title 57, Idaho Code.

4.4.102 Monies deposited in the Rental Pool Account are non-refundable to the extent the rental application is approved and storage is allocated to the renter.

4.5 **Infrastructure Fund**

4.5.101 Monies in the Infrastructure Fund may only be used to fund District costs of projects relating to improvements to the District's distribution, monitoring, and gaging facilities, and other District projects designed to assist in the adjudication, conservation, or efficient distribution of water.

4.5.102 Disbursements from the Infrastructure Fund are subject to two-thirds (2/3) Committee approval.

4.5.103 If monies in the Infrastructure Fund accrue to one million dollars (\$1,000,000.00), the Infrastructure Fee shall be waived and the same amount (five dollars (\$5.00)) added to the Rental Price in Rule 5.5.105.

4.5.104 Monies in the Infrastructure Fund may be carried over from year to year.

RULE 5.0 COMMON POOL

5.1 **Scope.** The Common Pool consists of storage made available to the Committee through participant contributions and assignments. Participants make storage available to the Common Pool pursuant to the terms of Rule 5.2, with impacts accounted from next year's reservoir fill. Assignors provide storage to the Common Pool, pursuant to Rule 5.3, by assigning a portion of their current year's storage allocation. Rentals from the Common Pool are subject to the priorities and prices established under this Rule.

5.2 **Participant Contributions**

5.2.101 *Participants.* Any spaceholder may, upon submitting written notice to the Watermaster prior to February 1, elect to contribute storage to the Common Pool. Any spaceholder making such election shall be deemed a "Participant" for the current year and every year thereafter until the spaceholder provides written notice to the Watermaster prior to February 1 rescinding its participation. Upon election to participate, a spaceholder is eligible for all the benefits of a participant set forth in these procedures, excluding monetary payment for rentals or impacts associated with rentals from the prior year. If after February 1, less than seventy-five percent (75%) of the contracted storage space is committed to the Common Pool by participants, the Committee shall revise the rental pool procedures as necessary prior to April 1. For 2009, the election/rescission date will be moved from February 1 to March 15.

5.2.102 *Non-Participants.* Spaceholders who are not participants shall not be entitled to supply storage to, or rent storage from, the Common Pool, or supply storage

through a private lease. Notwithstanding this restriction, the Bureau may rent water from the Common Pool for flow augmentation pursuant to Rule 5.2.105.

5.2.103 *Large Rentals.* The Common Pool will make available from participant contributions 50,000 acre-feet of storage for rentals, plus any assigned storage, subject to the priorities and limitations set forth in Rule 5.

5.2.104 *Small Rentals.* The Common Pool will make available from participant contributions 5,000 acre-feet for rentals of less than 100 acre-feet per point of diversion, subject to the priorities and limitations set forth in Rule 5. The Committee may approve on a case-by-case basis the additional rental of storage under this provision to exceed the 100 acre-feet limitation.

5.2.105 *Flow Augmentation*

5.2.105(a) *Table 1.* The amount of storage, from participant contributions to the Common Pool, available for rental for flow augmentation shall be determined by Table 1.

5.2.105(b) *Extraordinary Circumstances.* A greater amount of storage may be made available by the Committee, if it determines on or before July 1 that extraordinary circumstances justify a change in the amount of storage made available for flow augmentation.

5.2.106 *Additional Quantities.* In the event rental requests from participants impacted from the prior year's rentals exceed 50,000 acre feet and insufficient storage has been assigned to the Common Pool to meet such additional requests, the minimum amount of storage that will be available through the Common Pool will be the amount of storage necessary to meet the demand of those shown to have been impacted from the prior year's rentals. If additional storage is deemed necessary, any participant may elect not to participate in contributing such additional storage.

5.2.107 *Participant Payments.* Monies collected through the rental of the participant contribution portion of the Common Pool, including flow augmentation, shall be disbursed as follows:

- (a) seventy percent (70%) of the Net Proceeds disbursed to participants; and
- (b) thirty percent (30%) of the Net Proceeds disbursed to the Impact Fund.

5.2.108 *Participant Payment Formula.* Participants will receive payment for storage rented from the participant contribution portion of the Common Pool pursuant to the following payment formulas:

$$1^{\text{st}} \text{ Installment} = (R \times SP / TSP) / 2$$

$$2^{\text{nd}} \text{ Installment} = (R \times ST / TST) / 2$$

R = 70% of Net Proceeds

SP = Space of Participants

ST = Storage of Participants based on the preliminary storage allocation for the following year

TSP = Total participating space in system

TST = Total participating storage in system based on the preliminary storage allocation for the following year

If a specific reservoir's allocation has been reduced as a result of flood-control operations, the ST and TST values in the above formula for those reservoir spaceholders will reflect the values that otherwise would have occurred without any reductions for flood-control.

5.2.109 *Timing of Payments.* Payments to participants will be made in two installments. The first installment will be paid to participants immediately following the irrigation season in which the proceeds were collected. The second installment will be paid to participants within two weeks of the Date of Publication for the following irrigation season.

5.3 Assignments

5.3.101 *Assignors.* Any participant may assign storage to the Common Pool. An assignment of storage shall be made in writing on forms approved by the Watermaster.

5.3.102 *Purposes.* Storage assigned to the Common Pool may be rented only for purposes above Milner.

5.3.103 *Limitations.* Storage assigned to the Common Pool may be rented only after the participant contributions to the Common Pool have been rented. A participant may not assign storage and rent storage in the same accounting year.

5.3.104 *Assignor Payment.* The Assignor shall receive one-hundred percent (100%) of the Net Price per acre foot of the assigned storage that is rented.

5.3.105 *Distribution of Assigned Storage.* Assignments can only be made between April 5 and 15 days after the Date of Publication in the year in which the storage is to be rented. Assignments shall initially be distributed on a pro-rata basis, with each pro-rata share based on the amount of storage assigned or 10% of the assignor's storage space, whichever is less. If, after this initial distribution, additional rental requests exist, the remaining assigned storage shall be distributed on a pro-rata basis.

5.4 Priorities for Renting Storage

5.4.101 *Priorities.* Storage rented from the Common Pool shall be pursuant to the following priorities:

5.4.101(a) *First Priority.* Rentals by participants whose storage is determined to have been impacted by the prior year's rental from the Common Pool not to exceed the amount of the impact. Rentals pursuant to existing long-term leases with the Committee, provided that such rentals be supplied first from any balance of the 5,000 acre-feet reserved for small rentals, then from any assigned water, and then from the 50,000 acre-feet reserved for large rentals.

5.4.101(b) *Second Priority.* Rentals by participants for agricultural purposes up to the amount of their unfilled space.

5.4.101(c) *Third Priority*. Rentals by participants for any purposes above Milner in excess of their unfilled space. Applications for such rentals will be reviewed by the Committee and may be approved on a case-by-case basis.

5.4.101(d) *Fourth Priority*. Rentals by non-spaceholders for any purposes above Milner.

5.4.101(e) *Fifth Priority*. Rentals for purposes below Milner, excluding flow augmentation; provided, however, such rentals are limited to 50,000 acre-feet per year or a lesser amount as set by the Committee. Rentals for purposes below Milner can only be filled with storage from the 50,000 AF of participant contributions described in Rule 5.2. To the extent that storage is assigned to the Common Pool, assigned storage will be used to fill the rentals of the First, Second, Third, and Fourth Priorities, allowing that portion of the participant contributions to be used for rentals below Milner. Rentals for purposes below Milner will only be approved to the extent the Renter provides written certification from the Bureau stating either 1) that the Bureau has sufficient flow augmentation supplies for the year, or 2) that the storage to be released past Milner will count towards the Bureau's flow augmentation total.

5.4.102 *Priority for Late Applications*. Applications received after the deadline set forth in Rule 4.3.103 will be deemed last in priority and will be filled in the order they are received, only after all timely applications have been filled.

5.4.103 *Distribution Within Priority Classes*. If rental supplies are not sufficient to satisfy all of the timely applications within a priority class (those received within 15 days of the Date of Publication), the available rental supplies will be distributed to the applicants within that priority class on a pro-rata basis.

5.4.104 *Priority for Small Rentals*. Small rentals made pursuant to 5.2.104 are not subject to the priorities set forth in 5.4.101 and will be approved in the same order in which the rental applications are received by the Watermaster, so long as the total amount of all such applications does not exceed 5,000 acre-feet.

5.4.105 *Priority for Flow Augmentation*. Rentals for flow augmentation are not subject to the priorities set forth in 5.4.101 and shall be determined pursuant to Rule 5.2.105.

5.5 Rental Prices

5.5.101 *Tier 1*: If the storage system fills, the Rental Price for purposes above Milner shall be \$5.00 per acre-foot.

5.5.102 *Tier 2*: If the storage system does not fill but storage is provided for flow augmentation pursuant to Rule 5.2.105, the Rental Price for purposes above Milner shall be \$12.00 per acre-foot.

5.5.103 *Tier 3*: If the storage system does not fill and no flow augmentation water is provided pursuant to Rule 5.2.105, the Rental Price for purposes above Milner shall be \$18.00 per acre-foot.

5.5.104 *Tier 4:* The Rental Price for storage rented for flow augmentation shall be \$12.00 per acre-foot.

5.5.105 *Tier 5:* The Rental Price for storage rented for purposes below Milner, excluding flow augmentation, shall be \$35.00 per acre-foot or a higher price as set by the Committee.

5.5.106 *Fees & Surcharges.* There shall be added to the Rental Price for all rentals the Administrative Fee and Board Surcharge. There shall also be added to the Rental Price for rentals below Milner, excluding flow augmentation, the Infrastructure Fee.

5.5.107 *Storage System Fill.* For purposes of Rule 5.5 only, the storage system is considered full when all storage rights are filled in Jackson Lake, Palisades, American Falls, and Island Park.

RULE 6.0 PRIVATE LEASES

- 6.1 **Lessors.** Any participant may lease storage to a Lessee subject to the provisions of these rules.
- 6.2 **Purposes.** Storage may be leased through the Rental Pool only for beneficial use purposes above Milner.
- 6.3 **Payment to Lessor.** The Lessor shall receive one-hundred percent (100%) of the Lease Price.
- 6.4 **Fees & Surcharges.** There shall be added to the Lease Price the Administrative Fee and the Board Surcharge.
- 6.5 **Non-Applicability to Common Pool.** Storage leased pursuant to this rule does not count against the participant contribution volumes set forth in Rule 5.2.

RULE 7.0 IMPACTS

- 7.1 **Determination.** In any year in which the storage rights in the reservoir system do not fill, the Watermaster will determine the impacts to spaceholders, if any, associated with the prior year's rentals and leases. In making this determination, the Watermaster will use a procedure which identifies the following:
 - (a) what each reservoir fill would have been had the previous year's rentals and leases not taken place;
 - (b) the storage space from which rented or leased storage was actually supplied for the previous year's rental or lease; and
 - (c) the amount of storage each spaceholder's current allocation was reduced by the previous year's rental or lease activities.
- 7.2 **Flood Control.** There are no impacts resulting from the previous year's rentals or leases for a specific reservoir when that reservoir's storage is released as a result of flood-control operations and water is spilled past Milner in the current year.

7.3 Impacts to Participants due to Rentals from the Common Pool (excluding Assignments)

7.3.101 Impact Payment Formula. Participants whose storage allocation is impacted from the prior year's rental of storage from the Common Pool, excluding assignments, will receive payment from the Impact Fund according the following formula:

$$\text{Impact Payment} = (\text{Isp} * \text{RP}) \text{ or } \frac{1}{2} \text{ IF} * (\text{Isp} / \text{Ispt}) \text{ (whichever sum is less)}$$

Isp = Participant's impacted space in acre feet

RP = Rental Price

IF = Impact Fund

Ispt = Total of all Participants' impacted space in acre feet

7.3.102 Timing of Payment. Impact payments, which will be based on preliminary data, will be made to participants on or before July 15.

7.4 Impacts to Non-Participants due to Rentals from the Common Pool (excluding Assignments). If the rental of storage from the Common Pool, excluding assignments, caused impacts to non-participants, as determined by the Watermaster, the participants' storage allocation shall be limited to the storage available after such impacts have been mitigated.

7.5 Impacts to Spaceholders due to Rental of Assigned Storage. If the rental of assigned storage caused impacts, as determined by the Watermaster, the Assignor's storage allocation shall be reduced by an amount equal to such impacts, not to exceed the quantity of storage assigned by the Assignor, and reallocated to mitigate impacts to affected spaceholders. This reallocation will only occur in the year following the rental of assigned storage.

7.6 Impacts to Spaceholders due to Private Leases. If the lease of storage pursuant to a private lease caused impacts, as determined by the Watermaster, the Lessor's storage allocation shall be reduced by an amount equal to such impacts, not to exceed the quantity of storage leased by the Lessor, and reallocated to mitigate impacts to affected spaceholders. This reallocation will only occur in the year following the lease of storage.